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**Testimony of Kristine M. Ossenfort**

**MaineCare Redesign Task Force**

**December 11, 2012, 1:00 PM**

Good afternoon Commissioner Mayhew and members of the MaineCare Redesign Task Force. My name is Kristine Ossenfort and I am the Director of Government Relations for Anthem Health Plans of Maine, inc., which does business in Maine as Anthem Blue Cross and Blue Shield ("Anthem").

Anthem has been following the efforts of the MaineCare Redesign Taskforce to provide detailed information and recommendations enable the Legislature to redesign the MaineCare program in a manner that will maintain high-quality, cost-effective services to populations in need of health care coverage. Your task is not an easy one and Anthem commends your efforts to evaluate management and administrative strategies to achieve savings and to ensure sustainability of the Medicaid program for beneficiaries in Maine.

One of the measures being considered by the MaineCare Taskforce is a strategy for containing radiology costs and ensuring the appropriate delivery of imaging services.

Today, Anthem is insures or administers benefits for nearly 400,000 members in Maine, and has successfully implemented a number and utilization management programs. Particular programs that have demonstrated success are the radiology program, cardiology program, oncology program and sleep medicine program. These programs are managed by AIM Specialty Health (AIM), a wholly-owned subsidiary of Anthem's parent company.

AIM is a leading specialty benefit management company with more than 20 years of experience and a growing presence in the management of radiology, cardiology, oncology, sleep medicine, and specialty pharmacy benefits. AIM promotes the appropriate, safe and cost effective use of many outpatient clinical services used by Maine Medicaid beneficiaries. As such, it promotes the most appropriate use of specialty care services through the application of widely accepted clinical guidelines delivered via an innovative platform of technologies and services. AIM manages over 32 million commercial, Medicare Advantage and Medicaid members for its clients, including approximately 400,000 Anthem members in the state of Maine.

AIM's experience suggests that the implementation of an imaging benefit management program can generate between 10 to 20% decline in imaging utilization. The program helps prevent

patients from unnecessary or duplicative imaging, improves the quality of care received and eliminates wasteful spending. Additionally, AIM's program incorporates radiation safety education for physicians and conducts radiation exposure reviews for patients by calculating a patient's cumulative radiation exposure from multiple images.

AIM's program has proven to be highly efficient, requiring that providers spend just minutes seeking an authorization (the average time for an authorization is about four minutes). Only cases requiring additional clinical information to render an appropriateness decision or cases not meeting clinical guidelines are referred for additional clinical review. Overall, approximately 78% of requests are approved at intake without any human intervention, 94% of requests are processed on the same day, and 96% of requests are processed within 24 hours.

AIM is a flexible partner with a variety of programs models that could help the MaineCare program accomplish its objectives of containing specialty benefits management cost and ensuring the appropriate delivery of services to beneficiaries while offering a collaborative and educative approach to providers.

Included with my testimony are three attachments that highlight AIM's radiology program, patient safety initiatives, and AIM's recently launched obstructive sleep apnea management program.

Thank you for the opportunity to share this information. Anthem and AIM would welcome the opportunity to share further information regarding our program experience and results and I would be happy to try to answer any questions you might have.

# AIM Specialty Health

## Integrated Radiology Benefit Management

November 2012

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# Need for Imaging Management

A key contributor to the growth of healthcare expenditures over the past decade has been the spending related to high-cost advanced diagnostic imaging services. Advanced diagnostic imaging expenditures have grown exponentially, driven by the increasing, and often unnecessary, utilization of imaging services. A large portion of these images are considered discretionary and patients often correlate receiving imaging studies with receiving quality healthcare. Unfortunately, this drives the inappropriate ordering of diagnostic imaging services under the perception that there is no harm in performing the image.

The growing utilization and correspond rising expenditures on diagnostic imaging has captured the attention of commercial health insurance plans, state and federal governments seeking to manage and reduce waste from medical costs. Today, health plans have leveraged specialty benefit managers that offer radiology benefit management (RBM) solutions to control the utilization of advanced diagnostic imaging services. Many states have also either directly contracted with RBMs to manage the radiology cost for their Medicaid beneficiaries, or have turned to commercial payers to manage these clinical services for them. Additionally, President Obama proposed implementing a prior authorization radiology program for advanced imaging for Fee-For-Service Medicare beneficiaries in his budget for fiscal year 2013 to encourage more appropriate utilization of these services and help control spending.

With the implementation of a RBM program, payers can eliminate unnecessary diagnostic imaging utilization and promote the appropriate, safe and cost effective use of high tech imaging services.

# Radiology Benefit Management

AIM is a leading specialty benefit management (SBM) company that has over 20 years of experience managing high-cost advanced diagnostic imaging utilization and expenditures. AIM promotes the most appropriate use of diagnostic imaging services through the application of widely-accepted, evidence-based clinical guidelines which are delivered via an innovative platform of technologies and services. AIM's guidelines are in line with leading medical societies and also supported by recent awareness campaigns, such as *Choosing Wisely*, *Image Wisely* and *Image Gently*. AIM currently has over 32 million members covered under its RBM program across all 50 states. The membership is made up of Commercial, Medicare Advantage and Medicaid members.

In its RBM program, AIM focuses on high-cost and/or highly self-referred outpatient diagnostic imaging services including computerized tomography (CT), magnetic resonance imaging and angiogram (MRI), positron emission tomography (PET), myocardial perfusion imaging (MPI) and stress and resting echocardiography exams.

From the time physician places an order to when the member receives care, AIM generates value throughout the process. The program ensures that the diagnostic imaging test performed is the right test for the patient at the right time. Through network assessment tools, AIM identifies and suggests high value imaging sites to ordering providers at the point of order to ensure the service is performed at the right place. And finally, AIM is able to proactively engage the member during the provider selection process to help them make more informed health care decisions and receive services at the right price.

The three components of AIM's program can be implemented individually or in combination, depending on the payer's care management strategies and market dynamics.

Clinical Appropriateness

***Right Test***

*Orders are reviewed against clinical guidelines prior to being delivered.*

*Guidelines are based on widely accepted evidence-based studies and current clinical literature.*

*Consistent application of these guidelines helps reduce variability in provider ordering practices and ensures effective care.*

Network Value

***Right Place***

*AIM offers rich data, tools and reporting that enable health plans to improve the value of their network.*

*By monitoring ordering behaviors and identifying outliers, health plans can develop targeted initiatives for performance improvement including reimbursement and network design strategies.*

Member Engagement

***Right Price***

*AIM engages members in the provider selection process through a proactive concierge program.*

*Members can make more informed decisions and get more value from their health benefits.*

*Programs can also be used to communicate reference base pricing and other innovative benefit designs.*

# Clinical Appropriateness Review

AIM's radiology benefit management program collects relevant clinical information regarding a proposed advanced imaging service for each patient and compares this information against widely accepted clinical guidelines consistent with leading medical societies. Proper utilization of imaging services is assured through live interactions with AIM's clinical staff, which educate physicians ordering inappropriate tests to encourage them to withdraw or modify their orders. If necessary, and only after physician review, requests and payments are denied to prevent unnecessary utilization of imaging services.

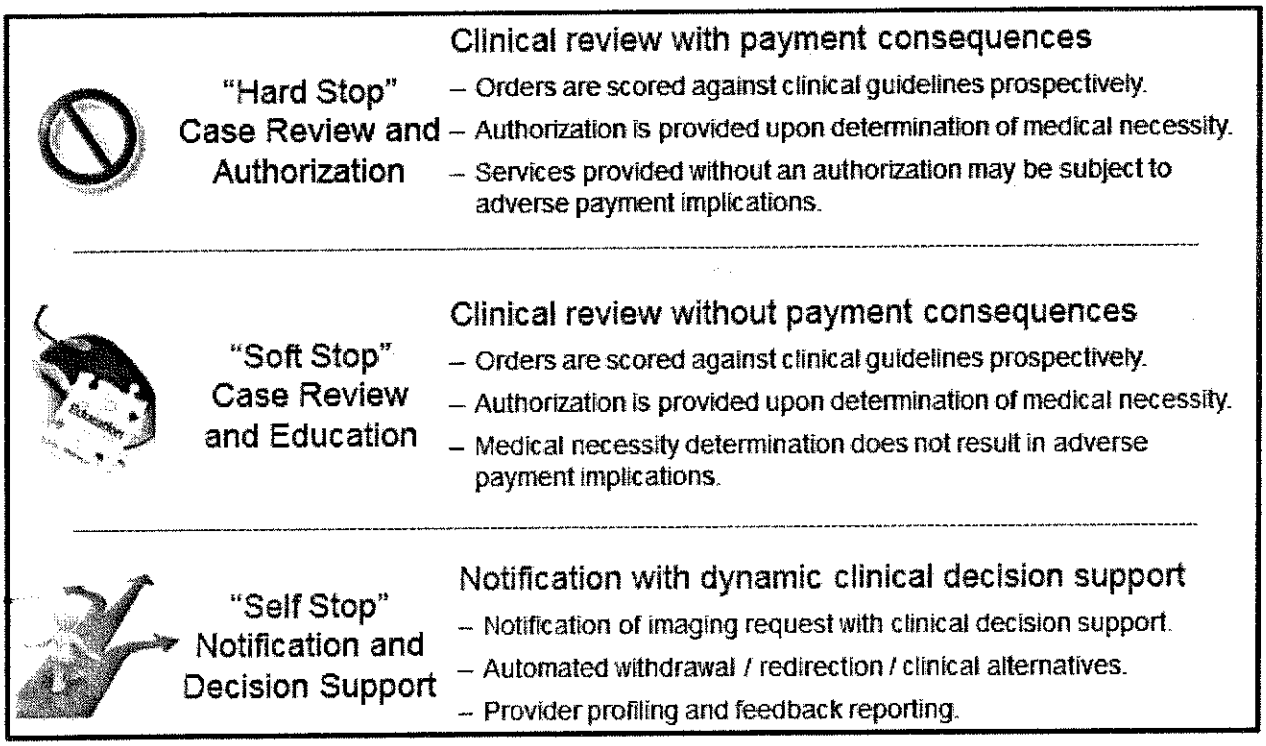
Additionally, AIM's radiology program incorporates radiation safety education for physicians and conduct radiation exposure reviews for patients. By calculating a patient's cumulative radiation exposure from multiple images, AIM's program alerts ordering physicians at the point of order if the exposure level exceeds a predetermined, potentially harmful, threshold. This review might save a patient from harmful radiation he or she might otherwise face, furthering the goal of improving a patient's quality of care.

AIM's RBM program has proven to be highly efficient, requiring that providers spend just minutes seeking an authorization; the average time for an authorization is about four minutes. Only cases requiring additional clinical information to render an appropriateness decision or cases that do not meet clinical guidelines are referred for additional clinical review by AIM's clinical staff. Overall, approximately 78% of requests are approved at intake without any human intervention, 94% of requests are processed on the same day, and 96% of requests are processed within 24 hours.

Ultimately, the ability of the provider to communicate and interact with the SBM via the electronic medical record (EMR) will reduce the administrative burden. The objective of interoperability solutions is to enable next-level administrative efficiency and clinical appropriateness functionality within provider's CPOE/EMR installations and workflow. The more widespread availability of EMR systems, combined with meaningful use terminologies, and payment incentives, creates opportunities for seamless system and data integration. An integration of clinical appropriateness review systems and EMR system will allow providers to more seamlessly integrate the clinical appropriateness review into the interaction with their patients and their internal workflows.

The clinical review program can be implemented in three distinct program models depending on the payer's network strategy and value requirements. Each program model carries a different level of intervention and corresponding program impact. For clients that prefer greater program intervention and impact, AIM's full utilization management, or "hard stop" program requires that all physicians submit outpatient advanced imaging requests to AIM for clinical review. If after going through AIM's review process the service does not meet guidelines, the service will be denied reimbursement by the payer. The program intensity is set by the client, and AIM works to ensure that the program model meets each client's objective and market conditions. The "soft stop" program mirrors the "hard stop" program in many ways, but will not result in payment denials.

The "self-stop" model provides physicians access to AIM's clinical decision support engine when submitting service requests. In the event that a physician is not following the nationally-accepted evidence-based guidelines, AIM will alert the physician and recommend the appropriate course of action. In this model, the physician does not have to go through additional clinical review and can still perform the service as he or she sees fit. Many times this program model includes the post-service analysis of provider ordering patterns and the benchmarking of appropriateness metrics against peers within the same geography and specialty. The profiling results and metrics can be integrated with payer's pay for performance models and reimbursement strategies.




# Network Value and Member Engagement

AIM's clinical appropriateness review program also serves as a trigger for cost and quality management programs. Through ***Opti****Net*, AIM gathers and analyzes information on the capabilities of outpatient diagnostic imaging providers and produces an evaluation of capabilities against established measures that consumers can use to compare providers. During the prior authorization process, AIM has information about the patient, the exam and the proposed imaging site prior to the performance of the study. In the event that there is a higher value facility (higher capabilities at lower cost) in the geographic vicinity of the patient, AIM's

program will identify the alternative facilities and provide the information to the ordering providers.

AIM's Specialty Care Shopper program uses the alternative imaging site information to encourage the selection of high-value imaging providers by the member. If the system identifies a higher value imaging site for the patient, AIM proactively reaches out to the member. During this live outreach a health outreach specialist provides capability and cost information on alternative imaging sites to the member. If the member decides to accept the recommendation, AIM assists in both scheduling an appointment at the new site and cancelling the appointment at the prior site.

## Sustainable Results

Radiology benefit management program help ensure that patients receive consistent, quality health care and manage the total spending of advanced diagnostic imaging services. RBM programs are widely accepted today and have demonstrated success for 140 million commercial health plan members.

AIM's broad success is driving program acceptance and efficiencies, while delivering sustainable trend reduction. On average, AIM commercial clients experienced a 15% utilization decline in program year one and have achieved sustained trend suppression through radiology management. From 2010 to 2011 the average annual utilization trend reduction for high-tech imaging was between 5 and 6% across all AIM clients.

# AIM Specialty Health

## Radiation Safety Program

October 2012

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# Executive Summary

Radiation exposure from diagnostic imaging has become an important public health issue. Radiation exposure has been linked to increased risk of cancer. The high amount of radiation delivered during certain diagnostic imaging exams coupled with the growth in the use of these services, have elicited concerns from both physicians and consumers.

AIM Specialty Health (AIM ®) has implemented an innovative radiation safety program. The program promotes informed decision-making through two key components, both of which have attained significant results:

- *Patient and Provider Education*: AIM's radiation safety website includes a radiation exposure tool, podcasts and links to other content. This site has been visited over 26,000 times. AIM has also mailed over 30,000 letters to physicians affiliated with AIM's health plans to promote radiation safety awareness.

- *Average Dose Accumulator*: AIM aggregates radiation exposure related to preauthorized exams for consumers covered under its programs. When a member's cumulative radiation exceeds defined thresholds, AIM communicates this information to physicians ordering imaging procedures that would expose that patient to further radiation. Since the inception of the program in 2007, over 13,000 studies have been avoided, reducing radiation exposure by over 116,000 millisieverts (mSv); the equivalent of almost 10,000 CT exams.

# 1. Scope and significance of the problem

In 2007, the American College of Radiology ("ACR") issued its White Paper on Radiation Dose in Medicine. This paper summarized the growing concern in the medical community regarding the dramatic increase in ionizing radiation associated with diagnostic imaging and the need to adopt measures to mitigate this increase. Since the release of that article, a growing body of literature has built upon the concerns raised by the ACR.

As many sources have noted, the use of diagnostic imaging procedures has increased dramatically. One by-product of this growth is that the radiation exposure attributable to the diagnostic imaging has also increased dramatically. Certain diagnostic imaging procedures such as computerized tomography (CT), nuclear cardiology and positron emission tomography (PET) emit significant amounts of radiation. For example, the estimated radiation exposure from a commonly performed abdominal CT scan is 8 millisieverts (mSv), which is equivalent to about 400 Chest X-Rays or 2.2 years of natural background radiation.

Given the high level of radiation exposure from these procedures, along with the growth in their utilization, it is not surprising that according to a 2007 presentation at the National Council on Radiation Protection and Measurements, the per capita effective radiation dose from diagnostic procedures increased by over 650% between 1980 and 2006. From a public health perspective, this increase is an issue due to the link between radiation exposure and cancer incidence. Various epidemiological studies have shown that cancer risk increases at radiation exposure levels as low as 50 mSv.

Compounding the issue of growing radiation exposure is the relative lack of understanding among both physicians and consumers regarding the amount of radiation associated with these procedures. In a 2004 study conducted at Yale-New Haven Hospital, only nine percent of emergency room physicians associated the order of a CT scan with increased cancer risk. Perhaps more tellingly, 44 percent of radiologists thought that the radiation exposure from a CT exam was equal to same exposure from one to ten chest x-rays—even as the typical range is 100 to 250 and can exceed 400.

While the knowledge regarding radiation exposure and diagnostic imaging has increased since that study, there is still a lack of tools available for physicians and patients to incorporate radiation exposure into their clinical decision-making. Sources such as the ACR's Image Gently campaign offer both information and a readily accessible toolset to monitor or apply radiation exposure levels to the everyday decision-making process.

Additionally, even when a physician or patient is aware of the radiation exposure associated with a given imaging procedure, they may not have an understanding of the impact of that procedure on a patient's cumulative radiation exposure. As radiation does not dissipate, understanding the cumulative dose received by an individual is a key aspect of understanding the potential risk from an incremental imaging procedure.

Given the tremendous clinical value provided by diagnostic imaging, there is a need for a set of tools that will promote more informed decision-making by physicians and consumers to ensure a more complete understanding of the benefits and risks involved with diagnostic imaging.

# 2. The intervention

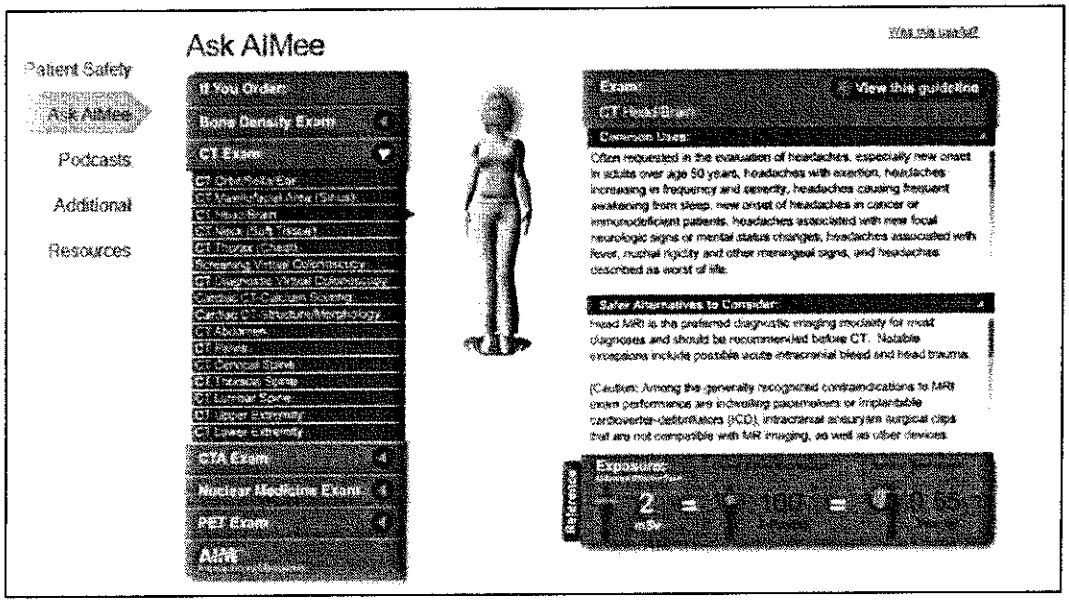
In order to promote more informed decision-making by physicians and consumers, AIM, launched a radiation safety program in 2008. This program was adopted by the majority of health plans that receive radiology benefit management services from AIM.

The program supports physicians and consumers through two key components: providing education and outreach through patient and provider oriented materials and an "Average Dose Accumulator" which measures, monitors and reports radiation exposure on an individual patient level. Descriptions of both aspects of the program can be found below.

## Providing Education and Outreach

- *Radiation Safety Website*
  In order to promote more informed decision-making by consumers and providers AIM launched a radiation safety website in 2007. The website can be found within AIM's current corporate website at: **http://www.aimspecialtyhealth.com/solutions/patient-safety**. The radiation safety website offers the following services:

  - *Ask AIMee:*
    Ask AIMee is an easy-to-use web interface that provides members and physicians with information on the use and radiation exposure associated with commonly ordered diagnostic imaging procedures. The website uses a human avatar that allows users to select a study and body part (e.g. CT brain). Once the service is selected, the site returns a text box that contains an overview of the accepted clinical uses for the procedure, the average radiation dose for the procedure (expressed in mSv, chest x-rays and natural background radiation) and potential alternatives where appropriate. A screenshot of the Ask AIMee tool is provided below:



- *Podcasts*:
  As a complement to Ask AIMEE, AIM launched a series of podcasts in 2009. The podcasts cover relevant topics in diagnostic imaging and narrated by the clinical leadership team which includes Dr. David Soffa, MD, MPA, FACR, Senior Vice President, Medical Affairs and Dr. Thomas Power, MD, FACC, MRCPI, Medical Director, Cardiology. A total of six podcasts have been released.

- *Links to Other Sources*
  The website provides links to 18 other radiology and radiation resources such as the American College of Radiology, the Health Physics Society, the Center for Devices and Radiological Health and other sources.

- *Physician Letters*
  AIM has sent out over 77,000 letters to AIM health plan affiliated physicians to raise awareness of radiation safety issues. These letters have referenced AIM's programs, as well as other physician-led initiatives such as the Image Gently campaign sponsored by the ACR and the ALARA (As Low As Reasonably Achievable) promulgated by several radiology and health physics organizations. In follow up to the letter campaign, AIM also sent the same communication to over 40,000 registered email users, achieving a 37% open-rate.

## Measuring, Monitoring and Reporting Radiation Exposure

Based on a number of verified sources, AIM has approximated radiation exposure values (as measured in mSv) of the diagnostic imaging procedures that are covered under AIM's programs. These values have been integrated into the prior authorization system.

When a procedure is approved for a health plan member covered under an AIM program, the system assigns the appropriate radiation exposure value for that service and records it. As subsequent services are approved for that member, the system aggregates the radiation exposure for each service. AIM's radiation safety program uses this information for provider messaging and education once certain thresholds have been reached. These messages include the following:

- When the total aggregated radiation exposure for a member meets or exceeds 50 mSv, but is less than 100 mSv, physicians requesting radiation emitting diagnostic imaging procedures for that member receive a message. This message provides the member's aggregate radiation exposure level and requests that the provider take this information into account when determining the use of further imaging studies for the member.

- When the total aggregated radiation exposure for a member exceeds 100 mSv, all requests for radiation emitting diagnostic imaging procedures are immediately transferred for a peer-to-peer discussion between the ordering physician and an AIM Physician Reviewer. The purpose of this discussion is to provide an educational opportunity for the ordering physician regarding the potential effects of radiation exposure.

It is important to note that these interactions do not lead to any denials of the requested services, but are provided for educational considerations only. Additionally, this program excludes members and providers that may receive/order imaging in excess of the thresholds identified by the program (e.g. patients with cancer diagnoses or abdominal aneurysms).

In addition to provider messaging, AIM also provides health plans with quarterly reports concerning members that have been exposed to high levels of radiation from diagnostic imaging as well as information regarding providers ordering studies for these members. These reports allow health plans to identify member and provider educational opportunities.

AIM's patient safety program is continuing to evolve. Starting in 2010, the company convened a patient safety panel that consists of nationally recognized experts in radiology, medical physics and other related disciplines to help guide our program. In 2011, AIM began piloting the integration of inpatient, outpatient and emergency room claim data to supplement the existing database of outpatient authorizations. Initial pilot results are positive for improving data capture that can lead to increased intervention for members with high levels of accumulated radiation exposure. While further evaluation is ongoing, this integration will provide a more comprehensive view of patient radiation exposure benefitting both healthcare providers and their patients.

# 3. Program results

The various components of the Radiation Safety Program have successfully raised awareness of radiation exposure issues within the provider and consumer communities. Key measures of awareness include the following:

- AIM Specialty Health's Radiation Safety website has been visited more than 26,000 times since its launch. Over 80% of visitors to the site have rated its content as being "Helpful" or "Very Helpful"

- AIM Specialty Health's physician outreach campaign has sent out over 77,000 letters to ordering and servicing physicians in 33 states in which AIM services health plans.

- AIM has delivered point-of-order education to over 90,000 providers on 300,000 exams ordered, and had point-of-order peer-to-peer discussions with over 9,800 providers and impacted over 13,000 exams.

Aside from the measures of outreach that the program has achieved, the program has also created significant positive impact by reducing unnecessary radiation:

- Across AIM Specialty Health's health plans, the 2011 Radiation Safety program successfully impacted over 4,500 procedures, meaning that through the interventions of the Radiation Safety program, diagnostic imaging procedures for members that had already been subject to high levels of radiation from imaging were avoided. Through the program, the cumulative radiation exposure for impacted members was reduced by an estimated 38,000 mSv.

While the primary impact of the program was the reduction of unnecessary radiation exposure, the elimination of these procedures does produce a reduction in the amount spent for these services. The estimated value of these eliminated procedures is $3.6 million.

# AIM Specialty Health

## Obstructive Sleep Apnea Program

October 2012

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# Overview of Obstructive Sleep Apnea and the Need for Management

Obstructive sleep apnea (OSA) is a highly symptomatic condition associated with significant long-term negative health risks. Sleep apnea results from a narrowing or closure of the upper airway during sleep which can cause inadequate breathing (hypopneas) or a cessation of breathing (presence of apnea). According to the National Sleep Foundation, more than 18 million adult Americans suffer from sleep apnea and many of them are undiagnosed.

The consequences of undiagnosed and untreated OSA can be severe. Downstream health risks such as excessive sleepiness, neuro-cognitive and performance deficits, heart disease, diabetes and increased cancer risk can increase future healthcare costs if OSA is not treated.

To diagnose OSA, patients must take a sleep study that measures key parameters such as breathing effort, blood oxygen level, heart activity, snoring and airflow. Driven by the growth in outpatient sleep centers over the past decade, sleep tests may be over-utilized when it comes to testing for and diagnosing OSA. Medicare payments for sleep testing increased from $62 million in 2001 to $235 million in 2009, according to the Office of the Inspector General. This is partly driven by providers who began self-referring sleep studies for additional revenue streams and the presence of other medical opportunists seeking to generate new income for physicians. As a result of these economic factors, facility-based sleep tests may be ordered inappropriately and have been identified as an area in need of spending control.

The emergence of home sleep tests as a viable alternative for diagnosing OSA is a key component in the management of OSA costs. Home tests are able to capture the same key clinical information in diagnosing OSA that a facility-based study would measure. Additionally, home sleep tests allow patients to administer the exam in their own bed, improving patient comfort and do so at a fraction of the cost. Home sleep tests cost, on average, $400 while facility-based studies may range between $1,000 and $2,500 (depending on the market). Despite the fact that the majority of patients are eligible for a home sleep test (patients with certain co-morbidities may need a facility-based test), home testing only accounts for 1% to 3% of total sleep study volume, based on an AIM national analysis of health plans.

Once it is confirmed that treatment is necessary for a patient with OSA, patients receive a PAP (positive airway pressure) device through a DME vendor. The DME vendor also provides the necessary supplies for treatment (the CMS standard for the initial supplies is for 90 days of treatment), and then subsequently refills the supplies on a quarterly basis. During this time, there is no confirmation that the patients are using the supplies provided, and often, patients are non-compliant with treatment. The DME bills the health plan for these supplies, which may go unused and create additional wasted spending.

AIM Specialty Health has developed an OSA management that has identified and addresses these issues and seeks to optimize quality and cost of OSA for health plans, employees and members.

# Prospective Clinical Review of Sleep Testing Services

As part of AIM's OSA Management Program, AIM performs prospective clinical review for sleep testing services. A provider ordering a sleep test contacts AIM through our web-based *ProviderPortal* or by a phone call to AIM's call center and provides relevant clinical information including symptoms, risk factors and comorbidities for the patient. This information allows AIM to evaluate the necessity of the request against AIM's Sleep Management Program Guidelines.

Requests that provide sufficient information to ensure consistency with the guidelines or health plan medical policy are considered appropriate for testing.

The appropriate site for that testing is evaluated as part of this clinical appropriateness review. If a home-based test (HBT) is appropriate and the physician has requested a HBT, then an authorization will be issued. Similarly, if a facility-based test (FBT) is requested and a facility is the clinically-appropriate site of service, an authorization for the exam to be performed in a facility will be issued.

Requests that provide insufficient information will receive a request for additional data from the physician. If the information provided suggests inconsistency with either AIM's guidelines, or those for which the site of service requested is inappropriate, the request is elevated to AIM's clinical team for review or consultation. AIM's Clinician Reviewers are trained to educate the ordering provider on which patients are appropriate for testing, and the most appropriate site of testing for each patient. The basis of these discussions may include: the patient's history, condition and symptoms, overview of treatments attempted to date, and the rationale for the type of exam being ordered. These discussions give the ordering provider the opportunity to leverage AIM's OSA expertise. Typically, these interactions result in the approval of the request if appropriate information is provided, redirection to more appropriate site of service, voluntary withdrawal of the request by the ordering provider or the issuance of a denial for lack of medical necessity.

## Redirection to the Highest Value Site of Service

As part of the clinical review process, AIM's program helps redirect members towards home-based sleep testing and high value facility-based testing providers. For tests that should be done in a facility, AIM redirects providers towards high value FBT providers, which generally means away from high-cost facilities. AIM provides cost and quality information on alternative FBT providers that can be used by the ordering provider to choose a sleep center.

It is interesting to note that based on research conducted by AIM, a common practice for sleep center staff performing the pre-authorization is to ask the ordering physician whether or not they will accept redirection to a home study prior to requesting the authorization. If the FBT is approved, the test will be done in the center. If only a HST is authorized, the front-office clerical staff has the approval of the physician to change the site of service request rather than go through the denial and appeal process.

AIM also believes that split-night sleep studies are preferred to multi-night studies and hand in hand with that the provision of an automatically titrating positive airway pressure (APAP) machine is a more cost-effective and clinically-effective alternative to a second night titration study and provision of a continuous positive airway pressure (CPAP) machine.

Depending upon a client's existing network and preferences, AIM can also offer a leading national provider of HST services to health plan clients. AIM has a strategic partnership with NovaSom, an industry leader in home-based diagnostic services that allows patients to undergo testing in the privacy of their homes over multiple nights, with the results interpreted by physicians boarded in sleep medicine.

## Improving Clinical Appropriateness of Sleep Therapy Services

Once a sleep test has been completed, providers need to submit test results in order to receive an authorization for treatment (e.g. an APAP machine and supplies). Similar to the clinical review process for sleep testing services, AIM evaluates the request for supplies against test results and guidelines in order to redirect providers towards use of APAP machines, when

appropriate. AIM can also help redirect providers to preferred DME vendors for equipment and supplies fulfillment, depending on the health plan's network.

The collection of test results not only drives appropriateness of therapy, it can also be used to benchmark providers for network management. Two measures AIM calculates are positivity of the tests (to look at ordering patterns) and Apnea-hypopnea index (AHI) vs. split-night study rate (to look at facility cost effectiveness).

# Monitoring and Managing Patient Compliance

As part of its OSA Management Program, AIM requires DME vendors to collect and provide sleep therapy compliance data from patients on a quarterly basis. All of the major treatment device manufacturers have automated compliance reporting available in their equipment, and the leading DME providers access this data on a regular basis. The automated receipt of compliance information and subsequent automated generation of authorizations or denials is a core tenant of generating value from the program. Many modern PAP devices are equipped with capabilities to transmit data on a nightly basis via an AT&T VPN or a patient's home internet connection. This information is integrated into AIM's system in order to facilitate authorization for ongoing supplies. It simply doesn't make sense to pay for ongoing supplies or equipment rental for patients that are not using their devices. AIM believes that compliance consistent with the Medicare standards is a reasonable benchmark for continued payment for therapy services. AIM's process for evaluating compliance includes meeting the CMS standard for the initial 90 days of treatment, and then applying that standard on an ongoing quarterly basis.

# Savings

AIM's OSA Management Program improves the appropriateness of sleep testing and therapy and generates savings by intervening at key points of the diagnosis and treatment process. Based on estimated annual cost of $2.00 per member per month (PMPM) for OSA, AIM's program can help deliver projected savings of 45% of current spend, or $0.90 per member per month.

Savings will be driven by three components of AIM's program:

## Utilization Management:

With the implementation of a prospective clinical review process, AIM's OSA Management Program decreases the utilization of inappropriate sleep studies. Providers will be required to obtain pre-authorization prior to conducting sleep tests and for requesting treatment, enabling AIM to have a direct impact on orders that do not meet clinical guidelines and/or health plan medical policy.

## Site of Service Selection:

The most significant opportunity for savings in AIM's OSA Management program are generated by redirecting providers to the appropriate site of service, including redirection of tests toward the home when appropriate. Additionally, for studies that need to occur in a facility, AIM can redirect to highest value facilities. AIM estimates that through redirection, the average cost of all studies will decline by 45%.

## Sleep Therapy Services and Compliance Review:

AIM believes that provision of an APAP machine is a cost-effective alternative to a second night titration study and provision of a CPAP machine. As such, AIM evaluates requests for sleep

therapy services against guidelines in order to redirect providers towards use of APAP machines, when appropriate. By recommending APAP as the preferred method of treatment, AIM eliminates titration studies that are performed in addition to diagnostic studies. In the event that CPAP is necessary, AIM authorizes a split night study instead of separate diagnostic and titration studies.

Further program savings come from ensuring patient compliance with sleep therapy services as a requirement for renewing rental agreements for equipment and for refilling supplies. AIM estimates that its program could reduce equipment rentals for non-compliant members by 20%.

## Conclusion

As the cost to test and treat a patient with OSA escalating, there's a clear need for health plans to ensure appropriate testing, optimize the use of home testing and promote improved patient engagement with therapeutic programs. AIM's OSA Management Program ensures effective testing and treatment for members focusing on key aspects of the diagnosis and treatment process:

- Convenience - Home sleep studies save members time and effort
- Comfort - Home sleep studies enhance patient comfort and satisfaction as test can be performed in familiar environment
- Cost - Home sleep tests and APAP machines lower OSA treatment cost and depending on benefit design will have an impact on member out-of-pocket expenses
- Compliance - Increasing member treatment compliance ensures members receive full benefits of treatment and limit downstream health issues

The OSA Management Program leverages AIM's platform and core competencies as a specialty benefit management company and generates savings by intervening at key points in the OSA diagnosis and treatment process and aligning sleep studies and treatment with clinical guidelines.